

UNEMPLOYMENT RATE

Description of Indicator

Unemployment Rate is the number of unemployed as a percentage of the labor force, a measure of people seeking work in comparison to the size of the total workforce. Civilian Unemployment includes those individuals 16 years of age and older who are not working but are able, available and looking for work. Individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days are also considered to be unemployed.

Why is it Important?

As the growth in the Orange County economy has produced some of the lowest unemployment in the nation, Orange County faces a shortage of both skilled and unskilled workers. While unemployment in Orange County stood at 2.3% in December 1999, about half of county firms have predicted increases over the coming years while only 5% plan reductions. The leading reason cited for projected hiring difficulties in every high technology cluster category will be the scarcity of needed candidates with the correct technical skill sets. The lack of qualified candidates could result in rising labor costs, hindered production, or outsourcing of production to other states or even off-shore, all of which would adversely impact the Orange County economy.

While low unemployment may eventually fuel higher wage levels for workers, labor costs will not rise for employers if higher wages are accompanied by concurrent increases in productivity. Orange County workers have exhibited just such gains in productivity in the recent past.

How is Orange County Doing?

Orange County has a lower unemployment rate than the U.S., California, and surrounding counties. Orange County has a similar rate when compared to regions such as Boston, Austin, Seattle, and Santa Clara County.

Unemployment Rate

	1995	1996	1997	1998	Sept 1999
Orange County	5.1	4.1	3.3	2.9	2.7
Los Angeles	7.9	8.2	6.8	6.5	5.9
San Bernardino	7.9	7.2	6.3	5.6	4.8
Riverside	9.5	8.2	7.5	6.7	6
San Diego	6.4	5.3	4.2	3.5	3.1
Santa Clara County	4.9	3.6	3	3.2	2.8
San Francisco	6.1	4.7	4.1	2.9	2.9
California	7.8	7.2	6.3	5.9	4.8
U.S.	5.6	5.4	4.9	4.5	4.1
Boston	4.7	3.7	3.4	2.8	2.7
Austin	2.9	3	3.1	2.6	2.2
Seattle	5.3	5	3.3	3.1	3.6

Source: California Economic Development Department; Bureau of Labor Statistics